



# SUBMISSION

Federal Government Inquiry  
into Regional Development  
and Decentralisation

(Case Ref CM 28019)



## Rural City of Wangaratta

Wangaratta Government Centre  
62-68 Ovens Street  
Wangaratta Vic 3677

PO Box 238  
Wangaratta 3676

Telephone 03 5722 0888  
Facsimile 03 5721 9526  
E-Mail [council@wangaratta.vic.gov.au](mailto:council@wangaratta.vic.gov.au)  
Website [www.wangaratta.vic.gov.au](http://www.wangaratta.vic.gov.au)



14 September 2017

Secretariat

The Select Committee on Regional Development and Decentralisation

Via email: [rdd.reps@aph.gov.au](mailto:rdd.reps@aph.gov.au)

Dear Committee,

We refer to the invitation to make a submission to the Federal Government's inquiry into Regional Development and Decentralisation with the terms of reference for the inquiry including:

- best practice approaches to regional development;
- decentralisation of Commonwealth entities of functions, as a mechanism to increase growth and prosperity in regional areas; and
- actions of the Commonwealth that would encourage greater corporate decentralisation approaches.

We represent the interests of the Rural City of Wangaratta (RCoW) and can demonstrate the value of best practice approaches undertaken to attract business and build strong community support that in turn offers a world class work and living environment for decentralized Government offices.

The RCoW's existing infrastructure, skilled workforce and strong cultural and arts community is a living example of how a region can offer an easy transition for Government departments such as Health, Foreign Affairs and Infrastructure to relocate to the region.

### **Challenges Caused by Centralisation:**

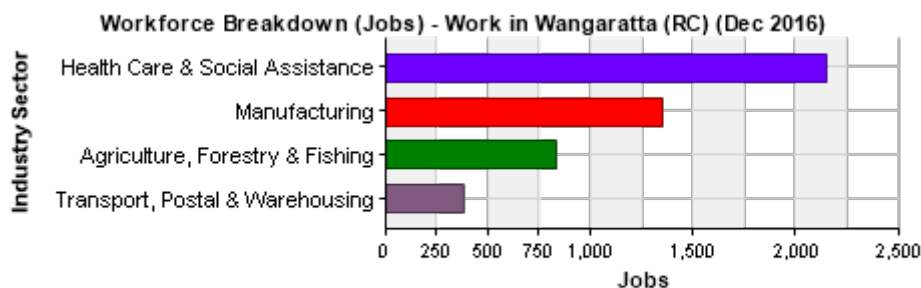
As the committee has already identified regional communities are significantly affected by the rise of globalization, the digital revolution and industrial consolidation. Regional communities have been confronted with issues around:

- The retention of younger community members that would provide a recruiting pool for existing businesses. Over 44% of young people leave the regions to seek study and employment opportunities.
- Manufacturing and services business departing regional communities to adjust to the economic realities of the global and digital challenges with –
  - negative impact on people wishing to stay within a community but have limited employment opportunities;
  - the loss of social and human services to provide balanced life choices for people in regional areas; and
  - the decline of infrastructure that would support business growth and expansion.

The objective for local Government has been to address these issues in a manner that will continue to deliver a vibrant and healthy economy and community.

### Developing World Class Solutions:

Whilst the RCoW has been significantly affected by the issues of centralization, we have actively sought solutions to increase diversity of businesses, infrastructure and community services. A region traditionally dominated by manufacturing and primary industry has shifted to stronger service economy exemplified by a strong health care sector.

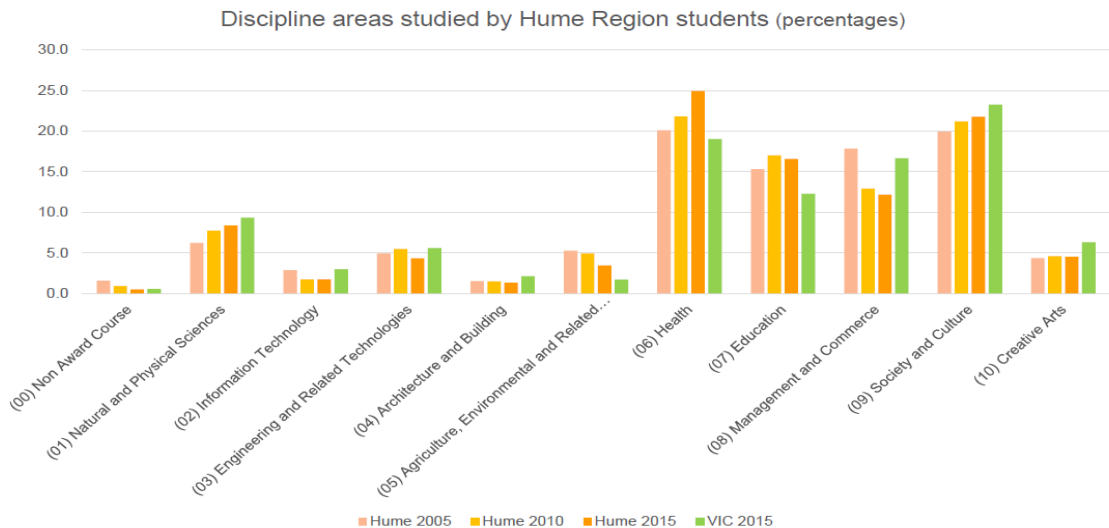


REMPPLAN

This result was achieved through a collaborative approach with employers, educational facilities and local Government.

A key issue was to establish a sustainable employment resource for the sector so that it would be able to have resources readily available to draw from as employment needs adapted to such influences as changing technology and an ageing population. Traditionally regional areas have a net loss of students studying within the region with students being compelled to transition to metropolitan areas for training and employment opportunities.

## Percentages of what Hume Students Study



To offset the issue of a limited employment pool for the future the RCoW and educational facilities worked to build the training capabilities and resources to increase the student levels.

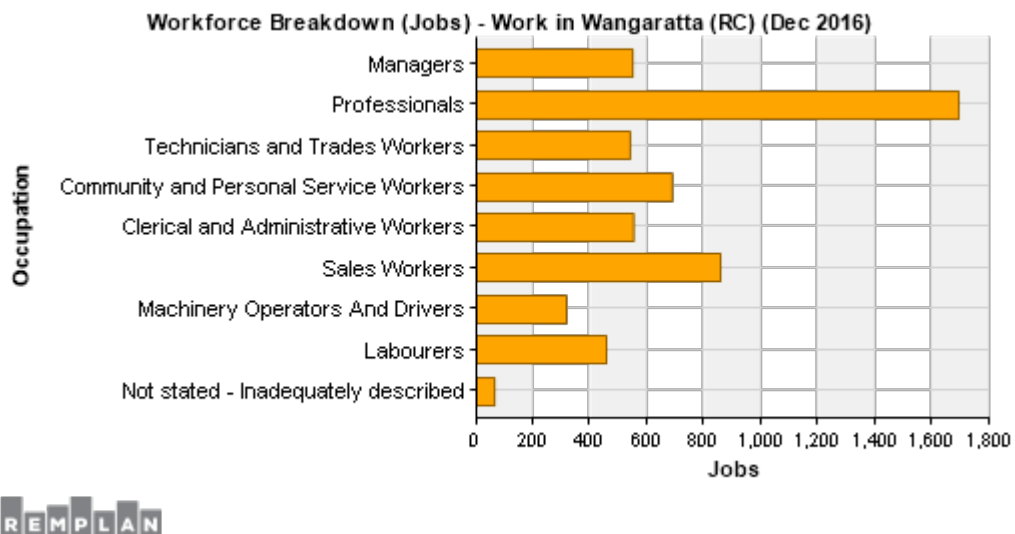
This has resulted in a solid take up of relevant training that is aligned to the key requirements of the region. In turn this is reflected in the growth of employment opportunities upon completion of studies.

While the health sector has been highlighted, other business sectors, such as various business service and infrastructure companies, have benefited from the direction RCoW has undertaken.

### Outcomes:

The philosophy of working collaboratively between Government departments and across industry skills has provided an outcome where the RCoW enjoys a relatively low unemployment rate of 4.9% even though significant businesses have been lost as a result of manufacturing and investment changes.

As the community has shifted to a greater services based economy we have seen the employment mix shift significantly to a professional skill set. This demonstrates how a municipality such as the RCoW can meet the reference of “considering the adequacy to support the private sector to attract and retain skilled labour to regional areas...”



With the rise of the professional class in the employment mix of the community, the RCoW has invested heavily to make the region attractive as a place for employment and residence.

As a result the RCoW has delivered world class events including:

- the Wangaratta Jazz Festival,
- The “Feast of Art” festival
- Cycling Carnivals across the region
- Wine festivals across the region

Combined with the location of the RCoW with:

- easy access to Melbourne and Sydney via road, rail and air;
- easy access to the Victorian Alpine resorts for a wide variety of seasonal activities;
- a diverse number of activities across the broader region that offer businesses; and
- makes the region a well-resourced one for cultural and artistic events no to mention the ability for companies to have easy access to their major markets.

This example of how the RCoW has adjusted to both market and community changes demonstrates to the committee “best practice approaches to regional development...” as defined in the terms of reference. Additionally, this demonstrates how the RCoW provides a positive environment to support “.the family, social and community impacts of decentralising”.

### **The Regional City of Wangaratta as a De-centralised Hub:**

As the terms of reference seeks to report on matters regarding “decentralisation of Commonwealth entities or functions as a mechanism to increase growth and prosperity in regional areas” it is the experience of the RCoW that collaboration is a key mechanism

to increase growth and prosperity and enables a region such as Wangaratta to be an example as to how decentralisation can work effectively.

The RCoW has a structure that is able to access and collaborate with the private sector to deliver outcomes that benefit the broader community. Through the creation of solid economic development and planning units, a strong professional work force and a diverse economic mix the RCoW is now well positioned to be a hub for various decentralized Governmental agencies. Departments that would fit well within the existing structure of RCoW are:

- Department of Health: due to the strong existing employment base and the developing pool of resources that are available.
- Department of Infrastructure: as a result of the combination of Rural, Manufacturing and Tourism needs of the region that reflects the national needs of road, rail, air and water.
- Department of Foreign Affairs and Trade: reflecting the collaborative relationship between eco and business tourism, the increasing ethnic and community diversity resulting from strong migration opportunities.

The benefit of having Governmental departments such as those listed above within the RCoW is that they build upon the strengths currently developed by the region. Through the effective use of the NBN, road, rail and air access and other infrastructural assets these departments would have the benefit of being able to continue business with no impact on the day to day workings of Government.

Additionally, as the reference committee seeks to ...“(examine) the extent to which employment and growth can be supported by growing existing new industries in regional areas...” the incorporation of Government Departments within the economy of RCoW will have a significant multiplier effect across the community. The role the RCoW plays in providing a support environment for local businesses includes:

- access to various grant and private investment sources,
- assistance in promotion and development of business networks
- promoting sustainable development and
- supporting responsible leadership and advocacy

These activities are constructed to ensure businesses in the region grow and prosper and confirms our ability to assess the impact that a Government office will bring to the region.

It is estimated that the economic benefit to the municipality resulting from the relocation of a Government agency to the region would be significant. To represent this we have provided three examples of the regional benefit created with the relocation of staff to the region without any capital investment in further infrastructure.

### RELOCATION OF 25 STAFF

<b>Direct Output Effect</b> \$7.96 M	<b>Industrial Effect</b> \$3.2M	<b>Consumption Effect</b> \$4.48M
<b>Employment</b> 25 initial jobs	<b>Employment</b> 11 jobs	<b>Employment</b> 18 Jobs
<b>Wages and Salaries</b> \$3.85M	<b>Wages &amp; Salaries</b> \$.96 M	<b>Wages &amp; Salaries</b> \$1.06M
<b>Value Added</b> \$4.24 M	<b>Value Added</b> \$1.525M	<b>Value Added</b> \$2.59M

### TOTAL REGIONAL BENEFIT

Output Effect -\$15.67M  
 Employment Effect – 54 Jobs  
 Wages/Salaries- \$5.85 M  
 Value Added - \$8.355M

### • RELOCATION OF 50 STAFF

<b>Direct Output Effect</b> \$15.92M	<b>Industrial Effect</b> \$6.46M	<b>Consumption Effect</b> \$8.97M
<b>Employment</b> 50 initial jobs	<b>Employment</b> 22 jobs	<b>Employment</b> 35 Jobs
<b>Wages and Salaries</b> \$7.67M	<b>Wages &amp; Salaries</b> \$1.9 M	<b>Wages &amp; Salaries</b> \$2.17M
<b>Value Added</b> \$8.48 M	<b>Value Added</b> \$3.05M	<b>Value Added</b> \$5.18m

### TOTAL REGIONAL BENEFIT

Output Effect -\$31.35M  
 Employment Effect – 107 Jobs  
 Wages/Salaries- \$11.71 M  
 Value Added - \$16.71M

### • RELOCATION OF 70 STAFF

<b>Direct Output Effect</b> \$23.88M	<b>Industrial Effect</b> \$9.69M	<b>Consumption Effect</b> \$13.45M
<b>Employment</b> 70 initial jobs	<b>Employment</b> 33 jobs	<b>Employment</b> 53 Jobs
<b>Wages and Salaries</b> \$11.5M	<b>Wages &amp; Salaries</b> \$2.88 M	<b>Wages &amp; Salaries</b> \$3.17M
<b>Value Added</b> \$12.72 M	<b>Value Added</b> \$4.57M	<b>Value Added</b> \$7.77m

## **TOTAL REGIONAL BENEFIT**

Output Effect - \$47.02M

Employment Effect – 161 Jobs

Wages/Salaries- \$17.56 M

Value Added - \$25.07M

(Figures calculated using REMPLAN)

## **SUMMARY:**

As the terms of reference seek to determine:

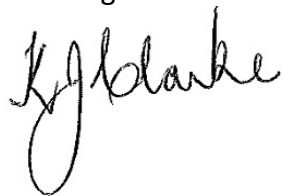
- best practice approaches to regional development;
- decentralisation of Commonwealth entities of functions, as a mechanism to increase growth and prosperity in regional areas; and
- actions of the Commonwealth that would encourage greater corporate decentralisation approaches.

The RCoW can clearly demonstrate how regional communities can offer economic, social and business benefits to the decentralisation of Government structures.

With the functional infrastructure in place that allows Government to access other departments easily and readily the investment to relocate will be kept to a minimum, while offering significant benefits to the region by relocating to an area such as RCoW.

Finally for staff relocating to the region the combination of a professional work force, a world class and diverse arts & culture community and a geography that provides a unique and quality lifestyle makes for an easy transition to a regional centre.

Kind regards



Ken Clarke, OAM

**MAYOR**

**RURAL CITY OF WANGARATTA**

*Copy to: Cathy McGowan, AO MP – Federal Independent Member for Indi*

*Senator Bridget McKenzie – The Nationals Senator for Victoria*

*Senator Jane Hume - Senator for Victoria*